

# Success!

## Washington Square Mall

### A New Start In Germantown

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## Presenters

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## Presentation Overview

- **Project Components**  
(Presented by Donald P. Gallo, Esq.)
  - Site Description
  - Political Issues
  - Financial Issues
  - Administrative Issues
  - Regulatory Issues
  - Putting the Deal Together
- **Remediation Case Study**  
(Presented by James F. Drought, P.H.)
- **Summary**

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## Site Description

### Washington Square Mall

### Germantown, Wisconsin

- Retail Strip Mall Constructed in 1978
- 80 Percent Vacant in 1997
- Dilapidated, Underused Retail Property
- Dry Cleaning Facility Located in Eastern Portion of Mall
- PCE Contamination in Soils and Groundwater
- Local Developer (General Capital) Interested in Redeveloping the Property

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## Washington Square Mall Germantown, Wisconsin



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## Political Issues

- “Political Will”
  - Site Redevelopment a Top Priority for Germantown
  - Increased Tax Revenue
  - Job Creation
  - Blight Reduction
  - Should a Political Body Subsidize an Individual/Developer?
  - Who Should Pay Remediation Costs?

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## Political Issues (continued)

- Cooperation Among Parties
  - Public Entities
  - Regulators (Response Time and Time Commitment of the Regulators)
  - Private Parties
  - Local Community

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## Financial Issues

- Successful Funding Key to Project
- Potential Funding Mechanisms Considered
  - Tax Incremental Finance (TIF) District
  - Environmental Remediation - TIF
  - Grants
    - CDBG Blight Elimination and Brownfields Redevelopment Program (BEBR)
    - Federal Brownfields Economic Redevelopment Initiative
    - Wisconsin Brownfields Grants

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## Financial Issues (continued)

- Potential Funding Mechanisms Considered (continued)
  - Reimbursement Programs (DERF)
  - Low or No Interest Loans
    - Land Recycling Municipal Loans
  - Tax Credits and Incentives
    - Business Improvement Districts
    - Cancellation of Delinquent Taxes
    - Wisconsin Community Development Zone Program
    - Sustainable Urban Development Zone

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## Financial Issues (continued)

- Insurance Vehicles
  - Stop-Loss or Cost Cap
  - Pollution Legal Liability
  - Blended Finite and Risk Transfer Programs
  - Lender's Protection Insurance
  - Environmental Consultant's E & O Insurance With Pollution Endorsement
  - Contractor's Liability Insurance With Pollution Endorsement

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## Administrative Issues

- Third Party Issues
- Contract Issues
- To Bid or Not To Bid (i.e. Professional Services Exemption vs. State Statute Bidding Requirements)
- Reimbursement Requirements
- Consultant Selection Process
- WDNR/COMM Jurisdictional Requirements

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## Regulatory Issues

- Necessity for Deed Restrictions
- Waste Classifications - Hazardous vs. Non-Hazardous (The Listing Rule Problem)
  - Cost
  - Manifesting and Storage Requirements
  - Land Disposal Restriction (LDR) Requirements
- Permitting
  - Wisconsin Pollutant Discharge Elimination System (WPDES) Permits
  - Injection Variances
  - WDNR Approval/Fee Process
  - Onsite Treatment of Hazardous Waste Variance

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## Regulatory Issues (continued)

- WDNR Approval of Innovative Technologies
- Closure vs. Certificate of Liability Exemption
  - NR 726 Closure
  - Act 453 Certificate of Completion (Sec. 292.15 Wis. Stats.)

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## Putting the Deal Together

- General Capital Formulated a Public/Private Partnership
- Tax Incremental Financing (TIF) District Established by Village of Germantown
- Fixed-Price Guaranteed Remediation Contract
- Remediation Stop-Loss Insurance
- Pollution Legal Liability Insurance
- Voluntary Party Liability Exemption (VPLE) Program
- WDNR Responsiveness and Cooperation

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## Washington Square Mall Remediation Case Study

James F. Drought, P.H.



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## Remediation Objectives/Requirements

- Clean Closure for Unsaturated Soils (No Deed Restrictions for Site Soils)
- NR 726 Flexible Closure for Groundwater (Minimum Requirement)
- VPLE Certification of Completion (Final Objective)
- Intrusive Site Work to be Completed Within 70 Days
- Remediation Activities Must be Compatible with New Retail Development

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## Remediation Program

- Excavation and Off-Site Disposal of PCE-Impacted Soil
  - Segregate Soils Relative to LDR Requirements (Treated vs. Untreated Soils)
  - Placement and Compaction of Imported Fill
  - Installation of Vapor Barrier Beneath New Building
- Carbon Injection for Enhanced Reductive Dechlorination of PCE-Impacted Groundwater

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## Site Remediation Accomplishments

- Excavation and Off-Site Disposal of 3,125 Tons of PCE-Affected Soils in August 1998
- Completion of Initial Carbon Injection Event Using 182 Temporary Wells
- Subsequent Carbon Injection Events Using Permanent Injection Wells and Subsurface Distribution System
- No Further Action Requested and Approved by WDNR for Unsaturated Soils

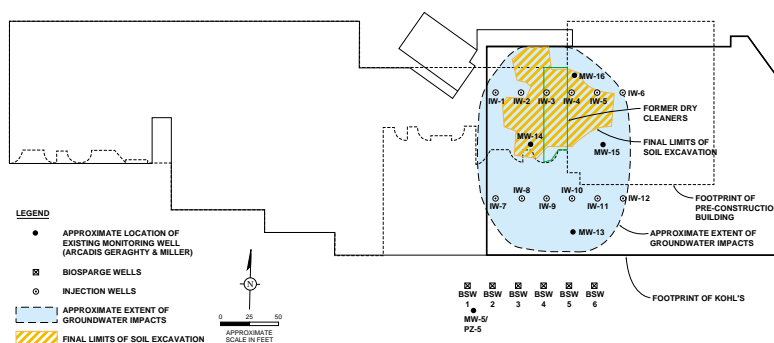
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## Site Remediation Accomplishments (continued)

- Average PCE Concentration Within Plume Decreased From 1,600 ug/L to Below Detection Levels Within 18 Months
- Temporary Increases in Intermediate Daughter Products
- Nearly Complete Conversion of PCE to Ethene/Ethane
- Site Closure Request to be Submitted to WDNR in June 2000

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## Site Layout



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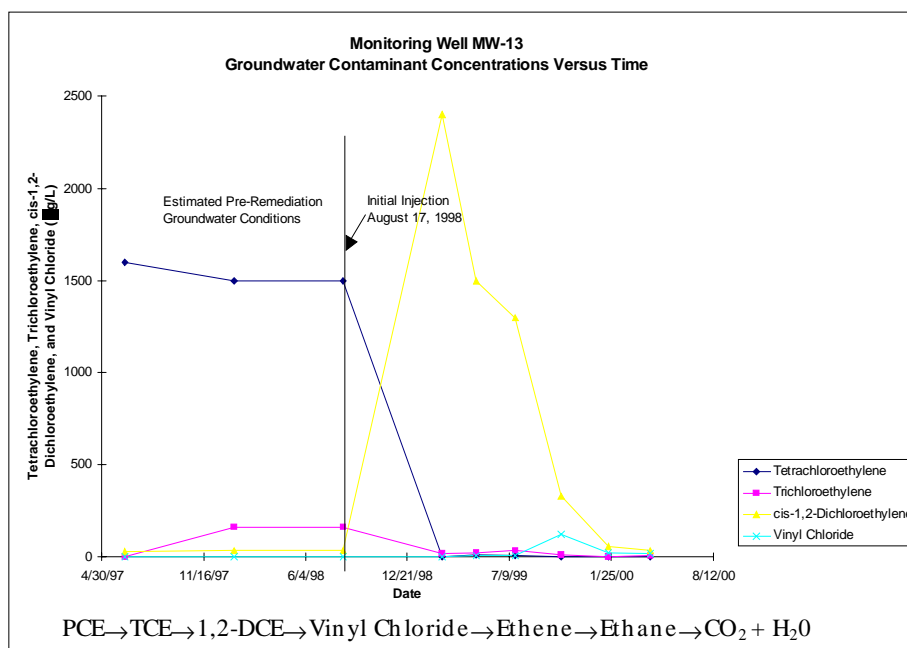


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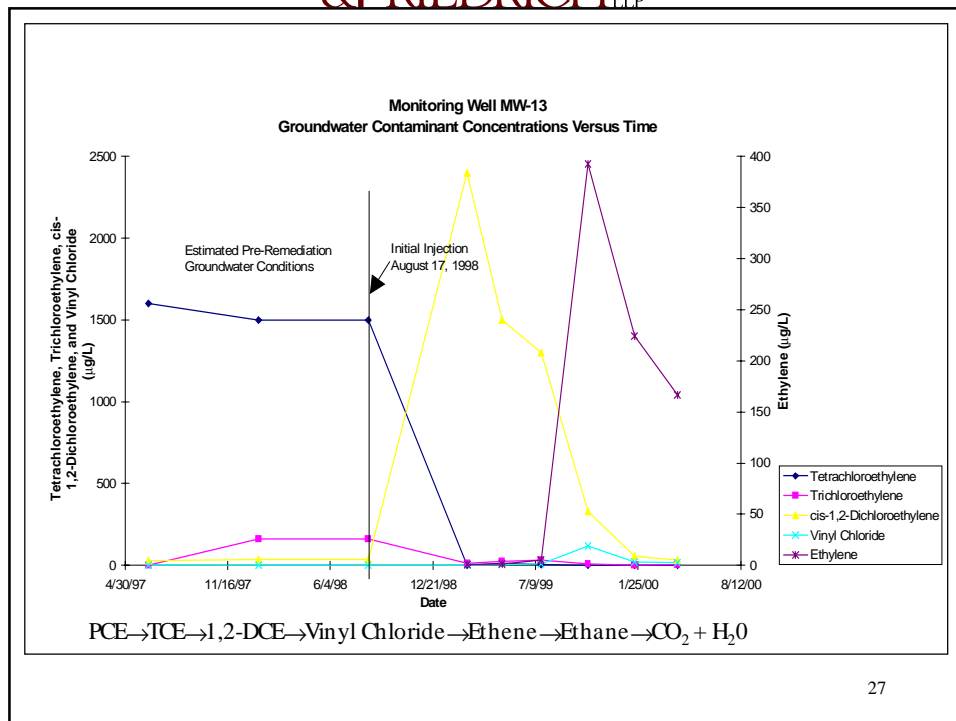
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## Summary

- Complex Sites Require Technical Expertise, Political Will, Financial Commitments and Efficient Administration to Overcome Barriers to Success
- Many Tools Are Available
  - Regulatory Flexibility
  - TIFs and Environmental TIFs; Grants; Loans; Insurance Vehicles
  - Innovative Technologies
- Success Requires Involved Parties to Commit to a Partnership